

CHAPTER 11

LOGISTICS REASSIGNMENT

A. GENERAL

1. This chapter provides procedures designed to:

- a. Ensure successful LR of both consumable and nonconsumable items.
- b. Provide adequate management control of items in a transitional situation.
- c. Assure uninterrupted supply support of items during the transition period.

2. To facilitate the comprehension of this chapter, the LR process has been divided into three periods of time based upon the ETD. These periods are identified as pre-ETD, ETD, and **post-ETD**. The pre-ETD period commences on the date the GIM **assignment/ETD** is disseminated to the **GIM/LIM** and terminates at ETD. The ETD is the date of the LR. Although the ETD is a specific point in time, for the purpose of this manual, any actions involving data requirements that reflect conditions as of the ETD will be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period begins immediately following the ETD and includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD. The specific events required to take place during the LR are delineated under the appropriate period.

B. POLICY

1. DoD policy for LR of nonconsumable items is contained in DoD 4140.26-M (reference **(pp)**).
2. DoD policy for LR of nonconsumable items is contained in **AMC-R 700-99** et al. (reference **(qq)**).
3. *[Text deleted.]*

C. REQUIREMENTS

1. The **LIM**, GIM, and storage activities will effect the actions required by this manual to reassign asset accountability to the GIM in a timely manner to assure uninterrupted supply support. Direct communication, coordination and assistance are required in resolving problems affecting **supply** operation.

Z. The **GIM** will accept, as of the ETD, those items and book balances submitted by the **LIM**. (The following policy covering transfer of assets for LR is implemented from **DoD 4140.26-M** (reference (pp)) and **AMC-R 700-99** et al. (reference (qq)), respectively.) The LIM will transfer all onhand wholesale balances, in place, except

a. Assets committed to the support of special projects, programs, and/or plans including the ILP, e.g., staged shipments, packaged shipments. Onhand wholesale assets in support of the ILP will not be transferred to the GIM nor will any ongoing procurement action in support of the ILP be terminated.

b. Consumable assets in Supply Condition Codes F, H, J, K, L, M, P, Q, R, and S. (See **DoD 4140.26-M** (reference (pp)) for complete criteria.)

c. Nonconsumable assets in Supply Condition Codes G, H, J, K, L, M, and P. Supply Condition Codes H and P materiel will never be recapitalized. (See **AMC-R 700-99** et al. (reference (qq)) for complete criteria.)

3. On an expedited basis the **LIM** will recapitalize to the GIM wholesale assets, other than the supply condition codes shown in subparagraphs 2.b. and 2.c., above, generated during the first year subsequent to the ETD. The LIM will report assets generated after 1 year of ETD under the **MILSTRIP** (reference (h)) Materiel Returns Program. Except as noted in section G, the **GIM** will reject assets recapitalized more than 1 year after the ETD using **DI Code DZG**, Transaction Reject with Reject Advice Code AW.

D. PRE-ETD ACTIONS

1. General

a. The LIM procurement office will provide the **GIM** with contractual status on contracts either retained by the **LIM** or assigned to DCMC for contract administration. Contract status includes, but is not limited to, delivery status, acceleration of delivery, **followup** status requests, and executing appropriate modifications to basic contracts.

b. For nonconsumable items, the LIM will furnish the **GIM** listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM will, within **15** calendar days subsequent to the receipt of the purchase request listing from the **LIM**, annotate required changes and return one copy to the **LIM**. For consumable items, provide purchase request data in accordance with subparagraph **D.5.b.**

c. The **LIM** will reclassify consumable assets, in Supply Condition Codes Q (**Air Force only**) and R, to the appropriate condition code before the **LIM** provides the **GIM** the updated LR supply management data **transactions (DI Codes DLS through DLX)** prescribed by subparagraph **D.6.c.**

d. For assets in Supply Condition Code H, the LIM will either forward the assets to disposal or reclassify the item to its true condition as authorized by chapter 5.

2. One Hundred and Fifty Days Prior to ETD, or upon notification, if less than 150 days:

a. The LIM will perform physical inventories under the MILSTRAP chapter 7 procedures, as stated in DoD 4140.26-M (reference (pp)) for consumable items, and AMC-R 700-99 et al. (reference (qq)) for nonconsumable items, as follows:

(1) For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive (see definitions and terms for explanation of terms).

(2) For nonconsumable, inventory onhand wholesale assets.

b. The LIM will advise the GIM of assets being held for litigation action.

3. One Hundred and Twenty Days Prior to ETD, or upon notification, if less than 120 days:

For consumable items being transferred, the LIM will furnish the GIM LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW and DLX (see appendices C25A through C25F).

4. Sixty Days Prior to ETD:

When a MILSTRIP (reference (h)) DI Code FTE Excess Report is submitted to the LIM and the LIM stockage position indicates that disposal action is appropriate, the LIM will furnish the reporting activity with a DI Code FTR Reply to Excess Report, using Excess Transaction Status Code SM. This will indicate to the reporting activity that disposal action is appropriate but the item is in process of migrating and further action is deferred until after ETD.

5. Forty-five Days Prior to ETD:

a. By mutual agreement between the GIM and the LIM, the LIM will initiate action to amend existing LR item contracts/purchase orders which are not reassigned to the GIM to provide for diversion of shipments of stock by quantities into storage activities of the GIM. The GIM will provide addresses of the shipping destinations to the LIM, as appropriate. The LIM will retain the due-in.

b. For consumable items, the LIM will furnish listings of all purchase requests (procurement actions that have not reached the award stage) to the GIM in accordance with DoD 4140.26-M (reference (pp)). The GIM will, within 15 calendar days subsequent to the receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

6. Thirty Days Prior to ETD:

a. The LIM will furnish the GIM a WMR data listing sequenced by NSN and DoD component (and RI code within component when the requirements have been allocated), major to minor, reflecting the current computed data. Include the quantity and value of the OWMR; OWRMR; OWRMRP; forecasted reparable return data, if applicable; PWRMR; PWRMRP; dollar value subtotals for FSC, RI code if allocated, and DoD component; and grand total dollar value.

b. The LIM will mail the WMR data listing to the GIM together with WMR transactions, DI Code DM_. The DI Code DM_ transactions, prepared in the appendix C26 format, will reflect the original input from which the WMR computed data was generated. Upon receipt of the DI Code DM_ transactions, the GIM will process them to recompute the WMR data as prescribed in chapter 15, paragraph B.3.

c. For consumable items being transferred, the LIM will furnish the GIM updated LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW and DLX (see appendices C25A through C25F).

d. The LIM will furnish the GIM the latest status of assets being held for litigation action.

E. **ETD PERIOD ACTIONS**

1. The LIM will issue an LR Storage Information transaction, DI Code DZC (see appendix C54), to their storage activities which serves as a notification that wholesale stocks stored are now under the ownership and accountability of the GIM.

2. The LIM will process inventory adjustment transactions to decrease the inventory control record using DI Code D9E, Decrease - Logistics Transfer, or DI Code D9F, Decrease - **Decapitalization** as appropriate. The decrease will be accomplished through the use of the DD Form 1487, prepared as outlined in appendix C5.

3. The LIM will prepare and transmit to the GIM, DI Code DEE (Logistics transfer) or DEF (**Decapitalization**) transactions (see appendix C12), as appropriate, by condition and location. Telephone communication between the GIM and LIM is authorized to resolve transactions that reject from the validation process.

4. The LIM will furnish memorandum due-in information as of the ETD to the GIM using DI Code DDX (see appendix CI 1) or DI Code DFX (see appendix CI 3). Quantities will reflect only that which is available for transfer.

5. The LIM will furnish the GIM storage activity a PMR, DI Code DU_ (see appendix C38), for each due-in from procurement on which the destination has been changed to the GIM. In addition, the LIM will furnish the LIM storage activity a PMR reversal (entry of an 11 zone punch in record position 25) for deletion of the PMR from their file.

6. Transfer of backorders to the GIM will be accomplished by means of referral/passing orders prepared in accordance with MI **LSTRIP** (reference (h)). Backorders transferred between Services/Agencies will be funded.

7. For items with SPR, the **LIM** will prepare and transmit to the forecasting activity an SPR Status transaction as outlined in chapter 13.

8. The **LIM** will advise the **GIM** of the latest data available on assets being held for litigation action.

F. POST ETD ACTIONS

1. The **GIM** will convert the **DI** Code DEE or DEF transaction received from the **LIM** to **DI** Code D8E (Increase - Logistics Transfer) or D8F (Increase - Capitalization), as appropriate to establish or increase the inventory balances. (This action is not required upon receipt of a **DI** Code DEE/DEF with a zero quantity.) This will be accomplished through the use of the **DD** Form 1487, prepared as outlined in appendix C5. The GIM may automatically reject invalid **DI** Code DEE or DEF transactions using **DI** Code DZG Transaction Rejects, processed in accordance with chapter 9. Telephone communication between the GIM and **LIM** is authorized to resolve **DI** Code DEE or DEF transactions that reject from the validation process.

2. The **GIM** will process **DI** Code DDX and DFX transactions, received from the **LIM**, to establish memorandum dues-in. In the event materiel, other than procurement, has not been received within 6 months of ETD, the memorandum due-in will be deleted by the GIM. However, the GIM will not delete memorandum due-in from procurement sources unless advised by the LIM that procurement action has been **cancelled**.

3. The GIM, when appropriate, will furnish reconsignment instructions to the **LIM** for items due-in from undelivered contracts of the **LIM**. Reporting of receipts from these contracts subsequent to the ETD will be in accordance with section G.

4. The GIM will accept and process **DI** Code **DEE/DEF** reversal (11 zone punch in record position 25) transactions, adjust the accountable records, and discontinue processing any other transactions against the LR assets until new **DI** Code DEE/DEF transactions from the **LIM** are processed. If the **DI** Code **DEE/DEF** reversal transactions are received with an incorrect zone punch, the **GIM** may elect to contact the **LIM** to verify that the reversal action is appropriate, correct the transaction and continue to process or reject the transactions using the **DI** Code **DZG** Transaction Reject document with Reject Advice Code AE (Rejected-Quantity field invalid).

5. The LIM will take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, prepare and transmit a due-in reversal and a new due-in to the GIM. Additionally, when an award is made for an unawarded purchase request, the **LIM** will prepare and transmit to the **GIM** a memorandum due-in transaction, **DI** Code DDX (see appendix CI 1), and a PMR, **DI** Code DU_ (see appendix C38), to the applicable storage activity.

6. The LIM will enter litigation proceedings on all items in Supply Condition Code L which are either on hand at ETD or subsequently received by either the GIM or LIM on LIM negotiated contracts. The LIM will notify the GIM of actions being taken to resolve the litigation actions.

7. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the materiel, the GIM will be notified of the condition transfer. Notification will be accomplished by preparation and submission of an Inventory Adjustment Transaction, DI Code DAC (see appendix C9).

8. The LIM's storage activity will prepare an LR Storage Information Reply, DI Code DZD (see appendix C55), within 5 working days advising the LIM of the quantity transferred to the GIM ownership. In the event the LIM's storage activity does not receive a DI Code DZC, the storage activity will prepare, and transmit to the LIM, a DI Code DZD with an A in record position 7, reflecting each balance by supply condition code. Additional processing instructions pertaining to the LR Storage Information transactions are outlined in chapter 10.

9. Upon receipt of the DI Code DZD (LR Storage Information Reply Transaction) the LIM will review the quantity. When the quantity in the DI Code DZD is greater than the quantity reflected in the DI Code DZC (LR Storage information transaction) the LIM will take action to transfer the additional quantity to the GIM on a new DI Code DEE/DEF transaction. When the quantity in the DI Code DZD is less than the quantity in the DI Code DZC the LIM shall (1) within 24 hours initiate action to reverse the previously submitted DI Code DEE/DEF (total quantity) transactions for that location, (2) conduct research and/or request a special inventory when deemed appropriate, (3) determine whether the quantity reported by the LIM's storage activity is correct (based on the best data available after research/inventory), (4) provide the GIM new DI Code DEE/DEF transactions which will contain new document numbers with the revised quantity and (5) complete this action within 30 days after the ETD to prevent a time lag between the ETD and corrective action. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, the LIM should notify the GIM of the problem and the expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD). If the DI Code DZD transaction is for an item for which the LIM provided a DI Code DEE/DEF transaction with a zero balance, and contains a transferable quantity, the LIM will provide a new DI Code DEE/DEF to the GIM reflecting the appropriate quantity, condition, and location. When this condition exists, the LIM will not prepare a DI Code DEE/DEF reversal.

10. Ninety Days After the ETD. For consumable items being transferred the LIM will furnish the GIM updated LR Contract History Data Transactions, DI Code DLW (see appendix C25E).

11. Two Hundred and Seventy Days After the ETD. For consumable items being transferred the LIM will furnish the GIM updated LR Contract History Data Transactions, DI Code DLW (see appendix C25E).

G. RECEIPT PROCESSING AFTER ETD

1. Receipts from Procurement

a. Upon receipt of assets from procurement by either the **GIM** or LIM storage activity, forward a Materiel Receipt Transaction (D1 Code D4S) prepared in the format shown in appendix CI to the **LIM**.

b. Procurement receipts received after 1 year past the ETD will be processed by the **LIM** and GIM in the same manner that procurement receipts would be processed when received during the ETD to 1 year period.

c. The LIM will:

(1) Process the storage activity initiated D4S receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(2) Decrease the inventory control record utilizing DI Code D9E/D9F, as appropriate.

(3) Transmit a Materiel Receipt Transaction (D1 Code D4X) prepared in the format shown in appendix CI to the GIM.

(4) Prepare and transmit a Logistics Transfer/Decapitalization Transaction (D1 Code DEE/DEF) to-the GIM.

d. The **GIM** will utilize the D4X transaction to reduce the memorandum due-in record and will use the **DEE/DEF** transaction to record assets on the accountable record for the quantity received.

e. For materiel received for which litigation is required, the **LIM** will record assets on the accountable record in Supply Condition Code L and reduce the due-in record. At this time, no action will be taken by the LIM to remove or change the **GIM's** memorandum due-in by producing a D4X transaction. When the litigation proceedings are completed and the materiel is reclassified to an issuable condition, the LIM will provide the GIM DEE/DEF and D4X transactions to effect the LR and reduce the memorandum due-ins. If materiel is returned to the contractor due to litigation proceedings the LIM will notify the **GIM** via written communication. Appropriate action must be taken by the LIM to reestablish a due-in if the materiel being returned to the contractor for deficiency correction will eventually be returned to the **LIM's** storage activity.

f. If assets from procurement are received for which there are no PMRs recorded at the receiving storage activity, the receiving activity will report the receipt to the cognizant Item Manager. If the **GIM** does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountability

accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the initiator with a DI Code DZG Transaction Reject and Reject Advice Code AB (see appendices C58 and B9 for appropriate format and definition).

2. Receipts From Other Than Procurement

a. The LIM's Storage Activity, upon receipt of assets from other than procurement, will prepare and forward a Materiel Receipt Transaction (DI Code D6_) to the LIM.

b. The LIM will:

(1) Process the storage activity initiated D6 series receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(2) Decrease the inventory control record utilizing DI Code D9E/D9F, as appropriate.

(3) Prepare and transmit a Materiel Receipt Transaction, DI Code D6X, to GIM.

(4) Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DI Code DEE/DEF) to the GIM.

c. The GIM will utilize the D6X transaction to reduce the memorandum due-in record and will use the DEE/DEF transaction to record assets on the accountable record for the quantity received.

d. In the event assets from other than procurement sources are received for which there are no PMRs recorded at the receiving storage activity, the receiving activity will report the receipt to the cognizant item manager (the GIM). If the receipt is incorrectly reported to an item manager the receipt should be rejected to the initiator with a DZG Transaction Reject and Reject Advice Code AB (see appendices C58 and B9 for appropriate format and definition).

H. FOLLOWUP FOR ASSET DATA

The GIM will transmit DI Code DLA, Logistics Transfer/Decapitalization Followups, for all items logistically reassigned for which the LIM transferred no assets and/or provided no due-in data within 10 days of the ETD. The GIM will prepare the DI Code DLA followup in the appendix C20 format. For additional followup procedures, see section J.

1. REPLY TO FOLLOWUP FOR ASSET DATA

1. The LIM will submit DI Code DLB Replies to Logistics Transfer/Decapitalization Followups, prepared in the appendix C21 format, to the GIM in response to DI Code DLA followups.

2. The DI Code DLB replies will contain the appropriate asset transfer status codes, from appendix 611, to advise the GIM of the action being taken.

J. FOLLOWUP FOR DUE-IN DATA

1. To **followup** for due-in data, the GIM will transmit a DI Code DLC Logistics Reassignment Delinquent Due-In **Followup**, prepared in the appendix C22 format.

2. Followup for Dues-In with Expired EDDs. The GIM will initiate a due-in **followup** when the EDD for delivery of materiel is delinquent by more than 30 calendar days. The delinquent date will be computed from the DI Code DDX/DFX memorandum due-in which the LIM provided on the ETD. The GIM will also initiate a due-in **followup** when a revised due-in date subsequently becomes delinquent by 30 calendar days.

3. **Followup** for Dues-In with Blank or Invalid EDDs. The GIM will initiate a due-in **followup** 30 calendar days after the ETD when the DI Code DDX/DFX memorandum due-in, which the LIM provided on the ETD, contains a blank or invalid EDD (e.g., for materiel pending procurement/contract action by the LIM). The GIM will initiate a second **followup** 60 calendar days after the ETD for all dues-in with invalid or blank EDDs. The second **followup** will have code 2 in record position 7. Nonresponse to the second **followup** will result in off-line intervention by the GIM. All dues-in with invalid or blank EDDs 90 calendar days after the ETD will be included in the reconciliation (see section L). Based on the response, the GIM will determine if additional **followup/reconciliation** action is required.

K. REPLY TO FOLLOWUP FOR DUE-IN DATA

1. The LIM will reply to DI Code DLC **followups** using DI Code DLD Logistics Reassignment Delinquent Due-in Responses, prepared in the appendix C23 format. The DI Code DLD response will contain the appropriate asset transfer status code from appendix B1 1.

2. To preclude the need for **followup** transactions by the GIM, the LIM will provide revised due-in dates as changes occur using DI Code DLD transactions with Asset Transfer Status Code AF.

L. SERVICE/AGENCY DUE-IN RECONCILIATION

1. The reconciliation process is used to verify that the GIM is in receipt of all procurement/contract award data for **assets** due-in and the most current EDDs available. This process will also insure that all items still pending procurement/contract award on ETD are still valid.

2. The GIM will initiate reconciliation of dues-in for logistically reassigned materiel 90 calendar days after the ETD and semiannually thereafter for all materiel which has not been received.

3. To initiate the reconciliation, the GIM will submit DI Code DLE Logistics Reassignment Due-In Reconciliation Requests for all items with materiel still due-in to the LIM, regardless of the presence of a current EDD for delivery of the materiel. The DI Code DLE requests may be submitted by magnetic tape in lieu of transceiver via DAASC when agreed to by the GIM and the LIM.

4. The LIM will ensure that due-in information for all items still pending procurement/contract action, pending delivery, or in litigation is readily available to respond to the reconciliation request, The LIM will prepare replies to due-in reconciliation requests using **DI Code DLF Logistics Reassignment Due-In Reconciliation Responses** containing the appropriate asset transfer status code (appendix B11).